

Message Text

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TO AMEMBASSY DAMASCUS

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E.O. 11652: N/A

TAGS: BEXP, SY

SUBJECT: LARGE U.S. OFFER FOR TIPPERS AND HEAVY-DUTY
TRUCKS

1. GENE H. WILLIAMS, PRESIDENT OF WILLIAMS-KILPATRICK
CHEVROLET, 10003 S. SHIELDS, MOORE, OKLAHOMA ACCOMPANIED
BY HIS LAWYER AND J. M. BARRY, REGIONAL FLEET ACCOUNT
EXECUTIVE, GENERAL MOTORS SOUTHWEST DIVISION, OKLAHOMA
CITY, CALLED ON THE DEPARTMENTS OF STATE AND COMMERCE
JANUARY 28 TO INQUIRE ABOUT THE PROSPECTS FOR THEIR FEBRUARY
1975 BID ON 1,000 TIPPERS (DUMP TRUCKS) AND 900 HEAVY DUTY
TRUCKS AGAINST SYRIAN ANNOUNCEMENTS 581/S AND 582/S.
ACCORDING TO WILLIAMS, THIS TRANSACTION WOULD AMOUNT TO
ABOUT \$150 MILLION.

2. THE COMPANY UNDERSTANDS THAT ALTHOUGH 54 OFFERS HAVE
BEEN RECEIVED FROM 24 COMPANIES, INCLUDING OFFERS FROM FIAT
AND VOLVO, THEIR BID IS THE LOWEST.

3. THE COMPANY'S NEGOTIATIONS HAVE BEEN HANDLED BY B.S.
BEDI, AN INDIAN SIKH WHO VISITED THE COMPANY'S HEADQUARTERS
LAST YEAR. THE COMPANY OFFICIALS HAVE BEEN TO SYRIA

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SEVERAL TIMES BUT DID NOT TOUCH BASE WITH THE EMBASSY ON

THE ADVICE OF THEIR SYRIAN LAWYER. THEY HAVE RESPONDED

PROMPTLY AND FULLY TO SOME SIX SARG REQUESTS FOR MODIFICATION OF THEIR ORIGINAL OFFER. RECENTLY, THEY RENEWED THEIR OFFER THROUGH DECEMBER 31 AND THEY HAVE NOW RECEIVED A REQUEST TO MAKE A FURTHER INDEFINITE EXTENSION. DURING THEIR LAST TRIP, THE COMPANY OFFICIALS ALSO WERE CONTACTED BY ARMY GENERAL SABBAGH WHO SUGGESTED THEY MAKE AN OVERALL WRITTEN PRESENTATION FOR SALE OF ANOTHER BATCH OF TRUCKS TO SYRIAN ARMY. GM MADE PRESENTATION BUT HAS HEARD NO FURTHER ON THIS PROSPECT. DEPTOFF POINTED OUT PROBLEMS WITH SALES TO SARG MILITARY, AND GM REPS SAID THEY WOULD KEEP US INFORMED OF ANY RESPONSE TO THEIR PRESENTATION.

4. THE GM TECHNICIAN, BARRY, STATED THAT GM HAS NOT BEEN COMPETITIVE IN SOME MAJOR TRUCK BIDS IN NEAR EASTERN COUNTRIES AS THE COMPANY RELIES ON THE STRENGTH OF THE LOCAL DEALER. IN THIS CASE HE ASSERTED THAT GM IS LENDING FULL SUPPORT TO THIS OFFER AND IS MAKING AN UNUSUAL WARRANTY AS WELL AS PARTS ARRANGEMENTS IN A BID TO PENETRATE THE SYRIAN MARKET. WILLIAMS-KILPATRICK ARE PARTICULARLY ANXIOUS TO MOVE AHEAD ON THE TRANSACTION AT THIS TIME AS THE COMPANY NOW HAS AN OPPORTUNITY TO MAKE IMMEDIATE DELIVERY OF 375 TRUCKS, AS A LARGE SALE TO THE SUDAN, TO HAVE BEEN FINANCED BY ABU DHABI, HAS FALLEN THROUGH. THE AVAILABILITY OF THESE TRUCKS WOULD ENABLE THE COMPANY TO GAIN SIX MONTHS ON THE DELIVERY TIME OF THE FIRST BATCH OF TRUCKS IN THEIR OFFER.

5. THE COMPANY IS CONFIDENT THAT IT HAS WORKED OUT SUITABLE PERFORMANCE GUARANTEES WITH THE HELP OF THE FIRST NATIONAL BANK OF DALLAS WHICH IS SAID TO BE SUPPORTING THIS TRANSACTION STRONGLY.

6. COMPANY OFFICIALS REPORT THAT IF THEY RECEIVE THIS AWARD SHORTLY THEY WILL BE IN AN EXCELLENT POSITION TO PARTICIPATE IN THE DAMASCUS FAIR WITH AN INTERESTING EXHIBIT AS SOME TRUCKS ARE TO BE CONVERTED INTO MOBILE AUTOMOTIVE SERVICE STATIONS, WATER TANKERS, ETC.

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7. ACTION REQUESTED: PLEASE INVESTIGATE AND REPORT CURRENT STATUS OF THIS COMPETITIVE BID (581/S AND 582/S) AND, AT EMBASSY'S DISCRETION, MAKE ANY REPRESENTATIONS APPROPRIATE TO ADVANCE THIS IMPORTANT U.S. TRADE OPPORTUNITY. EMBASSY'S COMMENTS ALSO REQUESTED ON EFFICACY OF PRESENT AGENCY ARRANGEMENTS IN LIGHT OF PREVIOUS EMBASSY COMMENT (DAMASCUS 2679, NOVEMBER 1974). ALSO COMMENT ON WHETHER THIS TRANSACTION SHOULD BE TOUCHED ON IN SECRETARY

SIMON VISIT TO SYRIA. SISCO

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